

EMPLOYER STATUS DETERMINATION
Iowa River Railway, Inc.

JUL 17 2006

This is the determination of the Railroad Retirement Board concerning the status of Iowa River Railway, Inc., as an employer under the Railroad Retirement Act (45 U.S.C. § 231 et seq.) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351 et seq.).

Information regarding Iowa River was provided by Kurt Gaylor, Consultant to Iowa River and James Broghammer, President of Iowa River. According to Mr. Broghammer, Iowa River began doing business June 16, 2006. As of June 2006, Iowa River had one employee but was going to hire additional employees. Compensation was paid initially on or about June 9, 2006.

In Surface Transportation Board Finance Docket No. 34877, Iowa River filed a notice of exemption to acquire and operate two rail lines totaling 41.89 miles. One line was purchased from North Central Railway Association, Inc., and the other from Union Pacific Railroad Company. Iowa River is a privately held company which was incorporated on March 3, 2006. It will interchange with Union Pacific and Canadian National. It owns one locomotive.

Section 1(a)(1) of the Railroad Retirement Act (45 U.S.C. § 231(a)(1)), insofar as relevant here, defines a covered employer as:

(i) any carrier by railroad subject to the jurisdiction of the Surface Transportation Board under Part A of subtitle IV of title 49, United States Code;

Sections 1(a) and 1(b) of the Railroad Unemployment Insurance Act (45 U.S.C. §§ 351(a) and (b)) contain a substantially similar definition, as does section 3231 of the Railroad Retirement Tax Act (26 U.S.C. § 3231).

The evidence of record establishes that Iowa River is a carrier operating in interstate commerce. Accordingly, it is determined that Iowa River is an employer within the meaning of section 1(a)(1)(i) of the Railroad Retirement Act (45 U.S.C. § 231(a)(1)(i)) and the corresponding provision of the Railroad Unemployment Insurance Act as of June 9, 2006, the date as of which it first paid compensation. CF. Rev. Rul. 82-100, 1982-1 C.B. 155, wherein the Internal Revenue Service held that a company became an employer under the RRTA the date it hired employees to perform functions directly related to its carrier operations.

Original signed by:

Beatrice Ezerski
FOR THE BOARD
Secretary to the Board